

January 3, 2005

## **TOP TEN CONSUMER COMPLAINTS IN 2004**

BISMARCK – Attorney General Stenehjem today released the annual list of “Top Ten” consumer complaints. The list includes some of the most serious violations of consumer laws encountered by the general public.

The Consumer Protection Division handled 1682 consumer complaints in 2004, up from 1194 in 2003, and recovered over \$605,000 for North Dakota consumers.

Complaints about violations of the state’s Do Not Call laws top the list this year, the first full year since the law took effect, with 170 complaints about pre-recorded messages and calls to numbers registered on the “Do Not Call” list. Of those complaints, there were 25 violations relating to pre-recorded messages and 108 validated complaints regarding calls to registered numbers. A few complaints related to exempt calls. The consumer protection division initiated 34 investigations against companies making illegal calls, resulting in settlements from 24 companies and fines totaling \$20,000. In some cases, multiple investigations led to the same company.

This year’s top ten complaint categories:

	<b><u>Issue</u></b>	<b><u>Complaints</u></b>
1.	Do Not Call violations	170
2.	Telecommunications – complaints in this group include <ul style="list-style-type: none"><li>• Billing disputes (56)</li><li>• Cellular telephone complaints, including coverage, early termination fees, and repair problems (53)</li><li>• Internet cramming – customers billed for adult content website access never authorized or used (26)</li><li>• Telephone Cramming – customers billed for phone services never authorized (26)</li></ul>	165
3.	Entertainment (bogus Lil Jon Concert)	163
4.	Sweepstakes (victims pay to play but never win)	127
5.	Illegal charitable solicitations	103
6.	Mail Order complaints (#3 in 2003)	89
7.	Discount Buying Clubs (misrepresentation of medical and prescription coverage – most of which are not accepted in ND)	78

8.	Automobiles (misrepresentation of used cars, warranty problems)	57
9.	Magazine subscriptions	48
10.	Directories (sham “yellow pages” or internet directories; either businesses receive what appears to be a bill, or they get a check for a small amount which, when cashed, enrolls them for the listing.)	47

Although not in the “top ten”, a concern for the Consumer Protection Division is the recent rise in the number of consumers who have fallen victim to foreign lottery scams. “It doesn’t matter how much money the letter or the operator claims you have won, foreign lotteries are always a scam,” cautioned Stenehjem. “They are also illegal in the United States.”

These scams often hijack the names of real lotteries from Australia or Europe. Scam artists, who often operate outside US jurisdiction, use the telephone, mail and e-mail to trick a consumer into believing to he has won money in a foreign lottery. Before any prize money can be sent, the consumer is told he must first pay taxes, insurance, or some other bogus fee. Unfortunately, several ND victims have wired thousands of dollars to scam operators. None of the victims has recovered any money.

Other significant consumer news this year includes the multi-state settlement with music compact disc distributors and retailers. As a result of the settlement, more than 12,500 North Dakotans received refund checks for \$13.46, and 262 libraries and schools across the state benefited from a distribution of approximately 12,900 compact discs, valued at over \$170,000.

The Consumer Protection Division is available to respond to consumer questions and concerns, at (701) 328-3404, or toll-free at 1-800-472-2600. Consumer information is also posted on the Attorney General website, [www.ag.state.nd.us](http://www.ag.state.nd.us).